

JS 44 (Rev. 11/04)

CIVIL COVER SHEET

APPENDIX H

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

USA Technologies, Inc.

(b) County of Residence of First Listed Plaintiff Chester
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Margaret Sherry Lurio, Lurio & Associates, P.C., One Commerce Square, 2005 Market St., Ste. 3320, Phila., PA 19103 (215) 665-9300

DEFENDANTS

John Doe and Jane Doe (anonymous internet website bloggers operating as Vendician, USATsucks, Hdumasse and Vendcard)

County of Residence of First Listed Defendant unknown
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff ☒ 3 Federal Question (U.S. Government Not a Party)
- 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

PTF	DEF	PTF	DEF
Citizen of This State	<input checked="" type="checkbox"/> 1	Incorporated or Principal Place of Business in This State	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excl. Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise	PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury	PERSONAL INJURY 362 Personal Injury - Med. Malpractice 365 Personal Injury - Product Liability 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability	610 Agriculture 620 Other Food & Drug 625 Drug Related Seizure of Property 21 USC 881 630 Liquor Laws 640 R.R. & Truck 650 Airline Regs. 660 Occupational Safety/Health 690 Other	400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV 810 Selective Service X 850 Securities/Commodities/Exchange 875 Customer Challenge 12 USC 3410 890 Other Statutory Actions 891 Agricultural Acts 892 Economic Stabilization Act 893 Environmental Matters 894 Energy Allocation Act 895 Freedom of Information Act 900 Appeal of Fee Determination Under Equal Access to Justice 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	LABOR	PROPERTY RIGHTS
210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property	441 Voting 442 Employment 443 Housing/Accommodations 444 Welfare 445 Amer. w/Disabilities - Employment 446 Amer. w/Disabilities - Other 440 Other Civil Rights	510 Motions to Vacate Sentence Habeas Corpus: 530 General 535 Death Penalty 540 Mandamus & Other 550 Civil Rights 555 Prison Condition	710 Fair Labor Standards Act 720 Labor/Mgmt. Relations 730 Labor/Mgmt. Reporting & Disclosure Act 740 Railway Labor Act 790 Other Labor Litigation 791 Empl. Ret. Inc. Security Act	820 Copyrights 830 Patent 840 Trademark
				SOCIAL SECURITY
				861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSDI Title XVI 865 RSI (405(g))
				FEDERAL TAX SUITS
				870 Taxes (U.S. Plaintiff or Defendant) 871 IRS—Third Party 26 USC 7609

V. ORIGIN

(Place an "X" in One Box Only)

- 1 Original Proceeding ☒ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment ☐

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
15 U.S.C. 78aBrief description of cause:
Securities violations

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 ☐

DEMAND \$

unliquidated

CHECK YES only if demanded in complaint:

JURY DEMAND: Yes ☐ No ☒

VIII. RELATED CASE(S) IF ANY

(See Instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

February 17, 2009

MSL7613

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

UNITED STATES DISTRICT COURT

APPENDIX F

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: 100 Deerfield Lane, Suite 140, Malvern, PA 19355

Address of Defendant: unknown

Place of Accident, Incident or Transaction: internet postings worldwide

(Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock?

(Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a))

Yes ☐ No ☒

Does this case involve multidistrict litigation possibilities?

Yes ☐ No ☒

RELATED CASE, IF ANY:

Case Number: _____ Judge _____ Date Terminated: _____

Civil cases are deemed related when yes is answered to any of the following questions:

1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court?
Yes ☐ No ☐
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court?
Yes ☐ No ☐
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court?
Yes ☐ No ☐

CIVIL: (Place ☒ in ONE CATEGORY ONLY)

A. Federal Question Cases:

1. ☐ Indemnity Contract, Marine Contract, and All Other Contracts
2. ☐ FELA
3. ☐ Jones Act-Personal Injury
4. ☐ Antitrust
5. ☐ Patent
6. ☐ Labor-Management Relations
7. ☐ Civil Rights
8. ☐ Habeas Corpus
9. ☒ Securities Act(s) Cases
10. ☐ Social Security Review Cases
11. ☐ All other Federal Question Cases
(Please specify)

B. Diversity Jurisdiction Cases:

1. ☐ Insurance Contract and Other Contracts
2. ☐ Airplane Personal Injury
3. ☐ Assault, Defamation
4. ☐ Marine Personal Injury
5. ☐ Motor Vehicle Personal Injury
6. ☐ Other Personal Injury (Please specify)
7. ☐ Products Liability
8. ☐ Products Liability — Asbestos
9. ☐ All other Diversity Cases
(Please specify)

ARBITRATION CERTIFICATION

(Check appropriate Category)

I, Margaret Sherry Lurio, counsel of record do hereby certify:

- ☐ Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs;
- ☐ Relief other than monetary damages is sought.

DATE: February 17, 2009

[Signature]
Attorney-at-Law

MSL7613

35217

Attorney I.D.#

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: February 17, 2009

[Signature]
Attorney-at-Law

MSL7613

35217

Attorney I.D.#

APPENDIX I

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

CASE MANAGEMENT TRACK DESIGNATION FORM

USA Technologies, Inc.,	:	CIVIL ACTION
Plaintiff,	:	
v.	:	
John Doe and Jane Doe (anonymous internet website	:	
bloggers operating as Vendician, USATsucks,	:	NO.
Hdumasse and Vendcard,	:	
Defendants.		

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a case management track designation form specifying the track to which that defendant believes the case should be assigned.

SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

- (a) Habeas Corpus – Cases brought under 28 U.S.C. §2241 through §2255. ()
- (b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits ()
- (c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ()
- (d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ()
- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) ()
- (f) Standard Management – Cases that do not fall into any one of the other tracks. (X)

February 17, 2009

Date

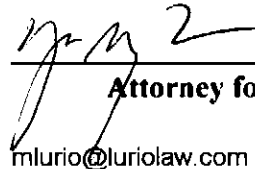
Margaret Sherry Lurio

Attorney-at-law

(215) 665-9300

Telephone

(215) 665-8582

FAX Number


MSL7613

Attorney for Plaintiff

mlurio@luriolaw.com

E-Mail Address

APPENDIX G

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

USA Technologies, Inc. :
 :
V. :
John Doe and Jane Doe (anonymous internet :
website bloggers operating as Vendician, :
USATsucks, Hdumasse and Vendcard :

Civil Action

No: _____

DISCLOSURE STATEMENT FORM

Please check one box:

- ☒ The nongovernmental corporate party, USA Technologies, Inc., in the above listed civil action does not have any parent corporation and publicly held corporation that owns 10% or more of its stock.

The nongovernmental corporate party, _____, in the above listed civil action has the following parent corporation(s) and publicly held corporation(s) that owns 10% or more of its stock:

February 17, 2009

Date


Signature

MSL7613

Counsel for: USA Technologies, Inc.

Federal Rule of Civil Procedure 7.1 Disclosure Statement

(a) WHO MUST FILE: NONGOVERNMENTAL CORPORATE PARTY. A nongovernmental corporate party to an action or proceeding in a district court must file two copies of a statement that identifies any parent corporation and any publicly held corporation that owns 10% or more of its stock or states that there is no such corporation.

(b) TIME FOR FILING; SUPPLEMENTAL FILING. A party must:

- (1) file the Rule 7.1(a) statement with its first appearance, pleading, petition, motion, response, or other request addressed to the court, and
- (2) promptly file a supplemental statement upon any change in the information that the statement requires.

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

USA TECHNOLOGIES, INC. :
100 Deerfield Lane :
Suite 140 :
Malvern, PA 19355, :
Plaintiff, : CIVIL ACTION NO.
 :
v. : NO.:
 :
JOHN DOE AND JANE DOE :
ANONYMOUS INTERNET WEBSITE :
BLOGGERS OPERATING AS :
VENDICIAN, USATSUCKS, :
HDUMASSE AND VENDCARD :
addresses unknown, :
Defendants. :

COMPLAINT

Plaintiff USA Technologies, Inc. (hereinafter "USAT"), by its attorneys, Lurio & Associates, P.C., hereby makes claim against Defendants John Doe and Jane Doe, anonymous website bloggers operating as Vendician, Usatsucks, Hdumasse, and Vendcard and avers in support thereof as follows:

PARTIES

1. USAT is a Pennsylvania corporation with its principal place of business at 100 Deerfield Lane, Suite 140, Malvern, PA 19355.

2. USAT is a public company whose stock is traded on the National Association of Securities Dealers, Inc.'s Global Market under the symbol "USAT".

3. USAT is a provider of cashless, micro-transactions and

networking services.

4. Yahoo! is a business which operates an Internet website (www.yahoo.com) which includes separate pages for public companies. Each such site provides stock quote information as well as a message board on which individuals can post messages concerning the particular public company or its stock.

5. The identity of a particular individual posting a message on the Yahoo! USAT message board is unknown to the public as the member is identified only by his or her screen name.

6. Upon information and belief, Defendants John Doe and Jane Doe anonymous website bloggers operating as Vendician, Usatsucks, Hdumasse and Vendcard are anonymous website bloggers who have published the following false and defamatory messages about USAT and its officers, as well as messages containing confidential proprietary information for USAT, on the Yahoo.com Finance webpage for USAT.

JURISDICTION AND VENUE

7. The jurisdiction of this court is invoked, and venue is in this district, pursuant to the Securities Exchange Act of 1934, 15 U.S.C. §78a et seq.

8. The supplemental jurisdiction of this court is invoked pursuant to 28 U.S.C.A. §1367 to consider USAT's common law claims through pendent jurisdiction.

9. Venue is proper in the United States District Court for

the Eastern District of Pennsylvania pursuant to 28 U.S.C.A. §1391 as the unlawful practices alleged below affect business within this district and USAT's business operations are based in this district.

FACTUAL ALLEGATIONS

10. Message id 1309 was posted by "usatsucks" on January 10, 2009 at 06:50 P.M. titled "stock price". The body of the message is "they laid off 22 people and then hired 3 or 4 of them back within two days. all that, and the coo's kid(s) are still getting free tennis lessons from one of the two remaining sales guys. figure that one out."

11. The message in the preceding paragraph contains confidential employee information concerning the number of employees laid off, and then rehired, that had not been publicly released at the time of the posting. In addition, the message contains false and defamatory statements that the Chief Operating Officer, Stephen Herbert, was receiving improper benefit by virtue of his standing as an officer of the company.

12. A message posted by "hdumasse" on February 8, 2009 at 3:04 P.M. was titled "Re: Insider Trading at USA I think so you be the judge". The body of the message is "to follow up what had been posted... within a few months of getting a new windows laptop, steve herbert bought himself (ahem, his wife) a mac laptop, expensed it to the company, and then pushed the now former

comptroller to get the expense report processed and filed before the auditors arrive. word is that the same now former comptroller discovered that the company is losing money on every transaction processed and was fired for taking that to king george instead of letting the coo sweep it under the carpet with the rest of his dirty little secrets.".

13. The message in the preceding paragraph contains false and defamatory statements about the Chief Operating Officer, Stephen Herbert, insofar as it states he improperly used company assets for his own benefit, and had employees take improper actions concerning expense reports. The message also contains false and defamatory statements that each transaction processed by USAT loses money.

14. Message id 1320 was posted by "usatsucks" on January 17, 2009 at 03:47 P.M. and is titled "Insider Trading at USA I think so you be the judge". The body of the message is "Inside trading isn't all that's going on. Within a year of the company buying him a new Dell laptop, Steve Herbert expensed a Macbook (for his wife) and then made sure that the paperwork was neatly filed before the latest round of auditors came in. How dirty do people have to be before the authorities take action?"

15. The message in the preceding paragraph contains false and defamatory statements that the company engages in insider trading, and that USAT's Chief Operating Officer, Stephen Herbert

improperly used company assets for his own benefit.

16. Message id 1322 was posted by "Vendician" on January 25, 2009 at 08:53 P.M. titled "PCI?!?!". The body of the message is "So USA Tech was spending big bucks on both PCI and SOX and I have yet to see the results. Knowing their (and foxy's) affinity for press releases, I am deeply troubled that compliance appears not to have been achieved. I heard that a plan was in place in mid '07 to achieve both, and then.....nothing. My guess is that the one running at least one of the projects was rif'd in rounds 1 or 2. That would fit the profile of both the person asked to leave (saying 'let go' implies they were hoping to leave) and the decision makers for their choices as if that were also surprising. Anyone have an update since this affects every single customer of this company?"

17. The message in the preceding paragraph contains information about two of USAT's internal compliance projects: PCI (required set of security standards for account data protection); and SOX (Sarbanes Oxley Act). The false statements about USAT's compliance is defamatory and adversely affects USAT's ongoing business.

18. Message id 1306, Board id 51478, was posted by "Vendcard" on January 6, 2009 at 12:13 P.M. titled "Insider Trading at USA I think so you be the judge". The body of the message is "I wonder what it takes for the SEC to stop the

officers from insider trading. It's very interesting that they sell their shares right before layoffs happen. YES ANOTHER LAYOFF HAPPENED ON MONDAY. To bad that the people who got let go were not the right ones. If you ever want this stock to make money first they need to get rid of the officers who continue to take bonuses for not meeting numbers and then selling it just before layoffs. I don't see them taking pay cuts in fact they just gave themselves another bonus and raise."

19. The message in the preceding paragraph contains false and defamatory statements that the company engages in insider trading.

COUNT I

**PLAINTIFF USA TECHNOLOGIES, INC. V. DEFENDANTS ANONYMOUS INTERNET
WEBSITE BLOGGERS OPERATING AS VENDICIAN, USATSUCKS, HDUMASSE AND
VENDCARD**

**SECTION 10(b) OF THE SECURITIES EXCHANGE ACT OF 1934, 15 U.S.C. §
78j(b), AND RULE 10b-5 OF THE SECURITIES EXCHANGE COMMISSION, 17
C.F.R. § 240.10b-5**

20. Paragraphs 1 through 19 hereof are incorporated by reference herein as if set forth in full.

21. Defendants made the above referenced false and fraudulent misrepresentations and statements in an attempt to manipulate the stock market price of USAT stock in violation of Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5 of the Securities Exchange Commission, 17 C.F.R. § 240.10b-5.

22. Each of the Defendants carried out a plan, scheme and

course of conduct which was intended to and did deceive the investing public and negatively affect the price of USAT's stock. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

23. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of USAT stock, in an effort to enrich themselves through undisclosed manipulative trading tactics by which they wrongfully distorted the pricing of USAT stock in violation of Section 10(b) of the Exchange Act and Rule 10b-5.

24. The Defendants employed devices, schemes and artifices to defraud and a course of conduct and scheme as alleged herein to unlawfully manipulate and profit from secretly timed trading and thereby engaged in transactions, practices and a course of business which operated as a fraud and deceit.

25. The Defendants had actual knowledge of the misrepresentations of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations

and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing the truth.

26. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of USAT's stock was distorted.

27. Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated on the Message Board for USAT on Yahoo! were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws.

28. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act, of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5 of the Securities Exchange Commission, 17 C.F.R. § 240.10b-5, and USAT has been damaged thereby.

WHEREFORE, Plaintiff USA Technologies, Inc. demands judgment in its favor and against John Doe and Jane Does, anonymous website bloggers operating as Vendician, Usatsucks, Hdumasse and Vendcard, for money damages plus interest, costs, and any other relief deemed appropriate by this court.

COUNT II
PLAINTIFF USA TECHNOLOGIES, INC. V. DEFENDANTS ANONYMOUS INTERNET
WEBSITE BLOGGERS OPERATING AS VENDICIAN, USATSUCKS, HDUMASSE AND
VENDCARD
DEFAMATION

29. Paragraphs 1 through 28 hereof are incorporated by reference herein as if set forth in full.

30. USAT believes and avers that there is a sufficient basis for a defamation action against the involved individuals since: the communications apply to USAT; a recipient would understand their defamatory meaning applied to USAT; special harm resulted to USAT from their publication; and no privilege applies.

WHEREFORE, Plaintiff USA Technologies, Inc. demands judgment in its favor and against John Doe and Jane Does, anonymous website bloggers operating as Vendician, Usatsucks, Hdumasse and Vendcard, for money damages plus interest, costs, and any other relief deemed appropriate by this court.

COUNT III
PLAINTIFF USA TECHNOLOGIES, INC. V. DEFENDANTS ANONYMOUS INTERNET
WEBSITE BLOGGERS OPERATING AS USATSUCKS
BREACH OF FIDUCIARY RELATIONSHIP AND BREACH OF CONFIDENTIAL
RELATIONSHIP

31. Paragraphs 1 through 30 hereof are incorporated by reference herein as if set forth in full.

32. The posting of Message id 1309 as alleged in paragraph 10 above by Defendants John Doe and Jane Doe, anonymous website bloggers operating as usatsucks, disseminated confidential and

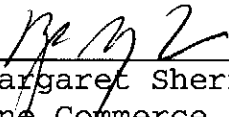
proprietary information to the public about USAT's employee relationships.

33. The information posted in the preceding paragraph could only have been known by individual(s) in a confidential relationship with USAT who had privy to confidential and proprietary business information.

34. By posting the confidential and proprietary information about USAT's business, Defendants John Doe and Jane Does, anonymous website bloggers operating as Usatsucks, have violated their confidential and fiduciary relationship with USAT and have caused damage to USAT's business.

WHEREFORE, Plaintiff USA Technologies, Inc. demands judgment in its favor and against John Doe and Jane Does, anonymous website bloggers operating as Usatsucks, for money damages plus interest, costs, and any other relief deemed appropriate by this court.

LURIO & ASSOCIATES, P.C.

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